

UNITED NATIONS
DEVELOPMENT
PROGRAMME



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DP/PROJECTS/7406

ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
BOLIVIA

IPF: (1987-91) \$25 431 900

(BOL/89/017) - Investment Promotion Programme
(Supplementary Assistance)

Date of approval:	2 April 1991
Expected duration:	18 months
Proposed executing agency:	United Nations Industrial Development Organization (UNIDO)
Government implementing agency:	Cámara Nacional de Industrias
Proposed UNDP contribution:	\$785 800 Source of funds: IPF
Third-party cost sharing:	\$ 88 500 Source of funds: Government of Spain
Previous UNDP budget:	\$604 300
Total UNDP budget:	\$874 300

Project background

The Bolivian manufacturing industry has developed very slowly since the severe crisis it faced in the beginning of the 1980's. In 1987 the contribution of this sector to GNP was only 11 per cent. There are several reasons behind this poor situation. The reduced size of the national economy limits the possibilities to expand the industrial sector. Moreover, the structural problems of the Bolivian economy, such as the elevated costs of financing and transport, weak managerial educational level and the low-qualified labor force, restrict the expansion of the manufacturing sector.

The industrial strategy of the actual government, New Economic Policy, aims very clearly to strengthen the productive sectors. Special emphasis is given to the development of the manufacturing of the manufacturing industry, which produces goods of high added value for exports. This strategy is in concordance with the other strategies of the government concerning e.g. new tax and customs policies aimed to attract new direct foreign investment to Bolivia.

Description of project

The development objectives of the project are to: (a) increase investment in the industrial sector; (b) stimulate the productivity, quality and diversification of the Bolivian industry; and (c) expand and diversify exports.

The immediate objectives are to: (a) enable the Investment Promotion Unit (UPRI), to be created by the project, by the end of the project to carry out analyses, evaluation and promotion of the investment opportunities in the country; (b) generate a roster of project profiles and initiate schemes for joint ventures already under different negotiation phases; and (c) organize, at the end of the project, a meeting of selected investors. Meetings will also be organized by the National Investment Promotion delegates in their designated countries.

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Inputs

UNDP will provide the following project personnel for a total of 23 man-months: international promoter, consultants, textile experts, wood expert; national professionals in marketing, economics, industry, computing, consultants and delegates (136.5 man-months), administrative support personnel (28 man-months), official travel and mission costs; group training, in-service training and two mini-fora; expendable and non-expendable equipment; and miscellaneous costs.

Financial data

	\$
Personnel	629 800
Training	161 700
Equipment	11 500
Miscellaneous	<u>71 300</u>
Total	<u>874 300</u>

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